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Monrovia (Liberia), 5-8 October 1981

ECA WORK PROGRAMME AND PRIORITIES IN THE FIELD OF HUMAN RESOURCES

1982-1983 AND MEDIUM-TERM PLAN 1984-1989

Presentation Note

INTRODUCTORY NOTE

The work programmes and priorities here presented, while covering education, training, labour and employment, public administration and finance and some other activities related to human resources, do not pretend to cover all aspects of the Secretariat's activities in the human resources field. This is because manpower and training elements in the activities of the substantive sectors of development are largely dealt within the respective sectors. Overall co-ordination in manpower development through training is however effected in collaboration with the human resource development programmes per se. Thus the social welfare aspects of human resources development and utilization would normally fall within the competence of ECA Social Development Division and the ECA/OAU Conference of Ministers of Social Affairs.

It is also necessary to note that the Secretariat's work programmes and priorities, 1982-1983 and Medium-Term Plan, 1984-1989, were considered, reviewed and adopted by the Second Meeting of the Technical Preparatory, Committee of Experts and the Seventh Meeting of the Conference of Ministers of the Commission, held in Freetown (Sierra Leone) from 24 March to 6 April and from 8 to 11 April 1981 respectively. That review by those bodies was somewhat general; it was therefore not possible to achieve any in-depth review of the programme of any one sector, except in those cases where appropriate sectoral review machinery existed. Human resource was one such major sector that hitherto lacked any intergovernmental regional review machinery and consequently ECA work programmes in this sector lacked in-depth review and proper guidance.

For the current review of the work programmes in respect of 1982-1983, and the Medium-Term Plan, 1984-1989, it should be borne in mind that the 1982-1983 work programmes derived from the guidelines and priorities established by the Lagos Plan of Action. As a follow-up and in the same strategy direction, the Medium-Term Plan represents a projection of planned activities, involving the intensification of the strategy in operation and adoption of new programme activities aimed at the full realization of declared development objectives. Consequently, a combined review of both the 1982-1983 work programmes and priorities and the Medium-Term Plan, 1984-1989, should therefore be made.

Overall development strategy

Between 1978 and 1980 both member States and the Secretariat have been involved in a series of sustained efforts to re-examine the region's development strategy and policy options. The main landmarks in this process of self-examination were:

(a) the seminar on Alternative Patterns of Development and Life-styles for Africa (December 1978);

(b) the Symposium on the Future Development Prospects of Africa towards the Year 2000;

(c) the adoption of the Revised Framework of Principles for the Implementation of the New International Economic Order in Africa as well as the Development Strategy for Africa for the United Nations Third Development Decade in March 1979;

(d) the Monrovia Strategy for the Economic Development of Africa adopted in July 1979 by the Thirty-third Ordinary Session of the Organization of African Unity; and

(e) the adoption of the Lagos Plan of Action by the Second Extraordinary Session and Economic Summit of the OAU, held in Lagos in April 1980

The strategy of development outlined for Africa by the above guiding principles has on each occasion provided for the development of human resources in order to ensure the peoples' full participation in the development process as well as eliminating manpower constraints to development efforts. These two basic requirements, namely, full and effective labour participation in production and distribution activities and in the fruits of socio-economic development, and manpower input as a production factor, constitute the cardinal guiding principles in the determination of human resource planning, development and utilization strategy for the African region. Other elements in the strategy are the principles of co-operation and collective self-reliance at subregional and regional levels; and the manpower requirements for "the establishment of self-sustaining, internally located processes of development and economic growth at the national and/or multinational level".

Human resources planning, development and utilization strategy as outlined in the Lagos Plan of Action, may be reviewed under the following broad programme areas:

- Education, Training, Labour and Employment;
- Public Administration and Finance.

Sector: Education, Training, Labour and Employment

I. Overall strategy

Within the framework of both the United Nations Third Development Decade and the Lagos Plan of Action, the strategy in the design of human resources, planning, development and utilization programmes in Africa is to achieve the following long-term objectives:

(a) making African States become increasingly self-sufficient and self-reliant in trained manpower resource;

(b) ensuring that the implementation of development goals and targets in other productive and distributive sectors of the national economy is not handicapped by lack of trained manpower, particularly, technical, scientific and managerial personnel at middle and higher levels;

(c) ensuring that more effective, efficient and productive use is made available human resources, including effective integration of women into meaningful economic activities;

(d) fostering intra-African co-operation in developing much needed training capability and in utilizing available training facilities and African experts within the framework of regional technical co-operation among developing African countries.

In the overall strategy special attention is being given to education for development and innovation and the implications of these requirements for curricula development and course offerings in relation to Africa's natural resource endowment. The same special attention extends to the development of new skills and technical knowhow that have become imperative as a result of the adoption of the Lagos Plan of Action: manpower for the exploitation of energy, mineral and other natural resources; negotiating and technology transfer skills; maintenance skills for plants, machinery and equipment; financial resource management capability; manpower for the basic industries and for the transport sector.

II. Problems addressed and programme orientation

Human resources planning, development and utilization problems vary in scale and complexity from country to country in relation to resource potentials, population size and level of socio-economic development. However, at the continental level, these problems have common features which demand collective efforts in their resolution. The most critical of these problems as seen from the regional situation are the following:

(a) the shortage of trained labour or manpower at the middle and higher levels, particularly teachers, instructors, technicians, engineers, managers and industrial and agricultural extension workers;

(b) growing open and disguised unemployment, particularly among educated youth graduating from primary and secondary educational institutions;

(c) the discrepancy between knowledge, skills and attitudes derived from national education and training systems and the requirements for socio-economic transformation in relation to natural resource endowment and the urgent need to improve the quality of life for the masses of the population;

(d) the African "brain drain" and "skill drain" as a result of increasing numbers of educated and qualified Africans residing and working abroad outside the continent when their skills and knowhow are much needed in their home countries and in the region;

(e) inadequate, and in some cases ineffective, infrastructure for human resource planning, development and mobilization in terms of administrative framework, policy, programmes, and institutional arrangements and facilities;

(f) lack of capacity and facilities in most African countries to train the specialized manpower that they need, including adequate number of trainable persons, as well as the economic capacity to generate enough employment opportunities for all who are able and willing to work;

(g) the high level of dependencies on foreign developed countries for the supply of technical knowhow, managers and consultants and the high cost and severe foreign exchange drain that results from this dependence.

In an effort to assist member States resolve the foregoing problems, the Secretariat's work programmes and priorities for 1982-1983 and particularly the Medium-Term Plan, 1984-1989, have been designed with the following orientation of programme activities:

(a) the review of policies, systems, machinery and practices in human resources planning and mobilization and the development of personnel capability for the human resource planning function;

(b) the review, reform and re-orientation of educational structures, policies, curricula, subject offerings and course contents, including forms, design and methodology of training, in order to relate more directly to the needs of African economies for new sills, attitudes and capabilities for designing, executing and managing development projects and programmes;

(c) fostering the adoption of policies, measures and programmes for employment planning and employment generation and for improved productivity in the labour force through activities in non-formal education for adults and youth, development of African entrepreneurial potentials, development of educational and vocational career guidance services, and the operation of institutional machinery for the co-ordination, harmonization and rationalization of human resources development policies and programmes at the regional level;

(d) developing national and regional capabilities for manpower training through the development and strengthening of training institutions at national, multinational and regional levels, fostering intra-African co-operation in developing and utilizing subregional and regional specialized training institutions;

(e) the training of Africans in priority areas of manpower needs, particularly teachers, instructors, managerial cadres, technical personnel at technician and higher levels and other key personnel for the priority sectors in the Lagos Plan of Action through the operation of the Expanded Training and Fellowship Programme for Africa and the dissemination of information on other fellowship and training opportunities open to Africans;

(f) provision of advisory and consultancy services to member States at their request, on the foregoing broad activity areas with the aim of providing guidelines for policy options and for initiating action in specific problem areas.

III. Organization of the work programme

The sectoral work programme is organized into two sub-programmes, namely, Education and Training, including Fellowship Administration; and Manpower and Employment Planning and Policies. Each of these sub-programmes is made up of specific programme elements or group of operational activities, falling under such groups as:

(a) technical assistance and advisory services;

(b) studies;

(c) collection and dissemination of information;

(d) meetings, seminars and training workshops; and

(e) grants and fellowships.

The full text of the work programme is separately presented. It will be noted that the Plan spells out in broad outline what the main activities will be, expected results and available manpower resources for implementing the programme.

IV. Special consideration

It is worth noting that the elements in the work programme were not designed in isolation. Rather it has been necessary to take account of planned activities and priority areas in other sectoral programmes in order to collaborate efforts for the development of the human resource inputs in development projects in the sectors concerned. Hence work in manpower analysis and preparation of skill profiles as well as training manpower planners in skills identification and training programming are directly related to the manpower needs for the basic industries, for transport and communications, agriculture and natural resource exploitation for example. The same applies to the operation of the Expanded Training and Fellowship Programme for Africa which determines its priority areas for training and grant of fellowships in direct linkage with the priority manpower needs of the key sectors of the economy.

V. Collaboration with other organizations

ECA collaborates with several specialized and operating agencies of the United Nations system as well as with bilateral organizations in a joint endeavour to assist African States in the development and utilization of their human resources. In this connexion, mention is made of the formal co-operation agreements and periodic consultations the Secretariat has made with UNESCO in specific areas of education and training and with CAFRAD in respect of training for Development Administration. One major project in which several agencies are co-operating is the African Institute for Higher Technical Training and Research, Nairobi. In the development of the training and research programmes of this Institute FAO, WHO, UNESCO, ILO, UNIDO, UNEP and other organizations are expected to continue their collaboration in assisting ECA to design the curricula and programmes of specific centres of the Institute and develop their operational activities.

Sector: Public Administration and Finance (Development Administration and Management)

I. Overall strategy

Within the framework and guiding principles of the United Nations Third Development Decade and the Lagos Plan of Action as pertain to development administration and human resources, the approach to programme design in the field of development administration and management, traditionally styled public administration and finance, aims at achieving the following long-term objectives:

(a) reforming and strengthening administrative and institutional arrangements for the formulation and implementation of development plans and policies; enhanced capability for participation in international economic relations and decision making; and for the exercise of effective sovereignty over African natural resources;

(b) enhancing the leadership role of the public sector in the implementation of the Lagos Plan of Action and achieving improved productivity and effectiveness of public enterprises, including their use as instruments to forge intra-African economic co-operation;

(c) improved financial management capability and effective capacity to mobilize domestic resources for development;

(d) the training of technical and managerial personnel for improved performance and efficiency in the public sector.

In considering strategy options, due consideration was given to the growing concern that African public services were not effectively discharging their leadership role in the task of social and economic development with particular regard to their role as development planners, implementors, evaluators, co-ordinators and entrepreneurs. It was further recognized that the task of socio-economic engineering and of national unity was of a nature that called for the most relevant, effective and efficient machinery and institutions for governmental action, and for public servants with keen sense of duty, dedication, professional competence and the right attitudes for service to the public and for social change. Whilst all that needs to be done should be done at the national level, the regional programme in public administration and finance thus aims at encouraging, guiding and strengthening the required national action.

II. Problems addressed and programme orientation

As with human resource planning, development and mobilization, problems of development administration in African countries vary from country to country, both in scale and in variety; a lot depends upon inherited administrative structures, political systems, idologies and resource endowment.

Notwithstanding obvious differences, the African Administrative and management systems in their operation to cope with the task of nation building and socio economic transformation experience problems that are basically common when viewed from the developmental and continental angles. These problems which are outlined below formed the basis for the design and orientation of the Secretariat's work programme in an endeavour to assist African States achieve efficient, effective and result-oriented public administration and finance systems. The most critical of these problems are as follows:

(a) inadequacies and inefficiency in the delivery capabilities of governmental structures and procedures for development administration - although inherited administrative machinery, procedures and regulations which in colonial times were designed for the maintenance of law and order and collection of revenue, have been considerably restructured and realligned since independence, they still suffer from several weak links in the public sector capability to play effective role as development planner, implementor, co-ordinator, entrepreneur, incentive dispenser and negotiator of international and intra-African economic relations;

(b) lack of capability to foresee and fully comprehend the implications of development issues in their international setting, to monitor the design of other interests groups and actors in the international economic scene and evolve rational strategy and policy options that guarantee the fruitful pursuance of declared national development goals;

(c) because of an unfortunate legacy from the colonial past the men and women who operate existing administrative structures and procedures and design development policies themselves for the most part lack the proper attitudes that promote mass participation in national development efforts and in the fruits of development those paid to serve the public have assumed privileged attitudes, and their development concepts are generally seen in the framework of the needs of urban centres where they live, while their efforts to be objective are too frequently handicapped by political considerations;

(d) both quantitative and qualitative shortages of functionally qualified personnel and of staff with considerable experience constitute a serious constraint in the effectiveness, efficiency and overall performance of the public sector, while the shortage of technical and managerial personnel at the functional middle and higher levels constitutes a serious manpower bottleneck in development administration;

(e) decentralization of development administration aimed at ensuring increased people's participation in the development process has been a failure everywhere because local administrations have been denied a reasonable measure of financial independence, adequate funds, qualified personnel and delegated powers to function properly. The desire to hold to power at the centre by both politicians and the higher civil services means that no serious decentralization measures can really be carried out. Hence the need for a change of attitudes at the centres;

(f) African public enterprises, being confused in their objectives and impaired by political interference, have continued to operate as liabilities and constitute a major source of drain to the national exchequer - they are yet to prove themselves as effective instruments for forging dynamic public sector leadership and entrepreneurship that will make public enterprises profitable and serve as a channel for resource mobilization for development. Perhaps they can be more effective if given a good measure of freedom like their counterparts in the private sector, while still maintaining a measure of public surveillance over their operations.

(g) recurrent evidence of poor and inefficient management of public finance and waste of public funds because of ineffective use of the budget and development programming as instrument of resource mobilization and development plan implementation.

It is with a view to resolving the foregoing development administration problems and ensuring that governmental machinery, strucutres, institutional arrangements, procedures and the personnel operating them are adequately prepared for the difficult task of public sector leadership in nation building and socio-economic transformation that the Secretariat work programme 1982-83, and Medium-Term Plan, 1984-89 have been designed with the following orientation and objectives:

(a) the development of policies, institutional and administrative capabilities for efficient development administration through: improving the structures and procedures of African public services, public institutions, public enterprises and inter-governmental organizations in order to enable them to acquire the capability to formulate and effectively implement development policies and programmes;

(b) improving administrative and management capabilities of the public sector through training of personnel for positive job attitudes and public service spirit, for improved knowledge of development issues and acquisition of modern management skills and for enhancing public sector leadership and entrepreneurship;

(c) development of effective financial management capabilities in the public sector through advisory and training services in financial resources mobilization and use for development purposes, the efficient management of public expenditures and ways of avoiding public wastes;

(d) encouraging administrative reform measures and management development in the public sector in a manner that will make public administration and finance systems cope effectively with the development administration challenge of the Lagos Plan of Action within the framework of the task of the 1980s;

(e) developing enhanced role for the public sector, particularly public enterprises, in national and multinational development undertakings by developing guidelines and undertaking studies of investment opportunities that will give African public enterprises new dimensions to play their role;

(f) training of personnel at middle and higher levels and providing policy guidelines and advisory services oriented to problem solving.

(g) in collaboration with AAPAM, fostering mutual understanding between politicians and higher civil servants in their complementary roles and leadership functions and thereby promote a sense of partnership in development.

III. Organization of the work programme

Work programme activities in this sector are grouped under two sub-programmes. The first sub-programme deals with public administration and management, including public enterprises. It is made up of a series of programme activities dealing with consultancy and advisory services to member States on their request; studies on administrative structures and reform and the role of the public sector; public procurement and supply management; management of public enterprises; and a number of training workshops, seminars and negotiating meetings. The second sub-programme deals with public finance, mainly government budgeting and financial resource mobilization for development purposes.

Activities are grouped in the same presentation as for public administration, and include tax policy, legislation and administration; expenditure control and efficiency audit; and programme budgeting by object of expenditure.

Of special interest is the particular attention that the programme accords to the needs of African least developed and newly independent countries, especially with regard to the provision of advisory services. Institutional building and strengthening also figures prominently in the work programme. Promotional activities in this area include:

(a) support to the Association of African Tax Administrators;

(b) the development of subregional Graduate Schools of Business Management and Finance, being built around existing university infrastructure and facilities;

(c) establishment of an African Institute for Public Policy Analysis and Future Studies.

Programme activities in the area of public procurement and supply management have continued to be in high demand by member States for advisory and consultancy missions and training of personnel. The only constraint in this area has been lack of resources to respond to the growing demand. It is envisaged that during the Medium-term Plan country interest in the proposed African Procurement and Supplies Organizations will become more positive to warrant initiating action afresh for its establishment and development.

IV. Special Consideration

In the development of work programme activities in the field of development administration due consideration has been given to the tendency to assume that all is well with African public services and governmental structures and to give little or no attention to this area on every occasion the Commission meets to review the work programmes of the Secretariat. A further special consideration is that while there are so many problem areas in public sector management and its role, the resources placed at the disposal of both branches of the programme for the past ten years have been grossly inadequate, bearing no direct relationship to either planned activities or problem areas that ought to receive attention. The prospects that additional resources from the regular budget were most unlikely during the biennium 1982-1983 has thus influenced the limitation in the scope and level of planned programme activities.

V. Collaboration with other organizations

As indicated in the Medium-term Plan programme activities will involve fruitful collaboration with several bilateral and multilateral organizations, particularly CAFRAD, AAPAM, AATA, United Nations Development Administration Division and the MULPOCs. It is recognized that the programme needs to do more through the MULPOCs; to ensure this, the MULPOCs themselves must develop programme interest in the field of public administration finance, and management of public enterprises. Accordingly, provision should be made for activities in these fields through appropriate staff and resource allocation at the MULPOC level.

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First Meeting of the Conference of Ministers responsible for Human Resources Planning, Development and Utilization

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DEVELOPMENT OF MANPOWER AND ADMINISTRATIVE CAPABILITIES IN PUBLIC FINANCIAL MANAGEMENT IN AFRICAN COUNTRIES

M81-1954

Introduction

1. As changes take place in the objects and patterns of activities to be carried out by governments, efforts have to be made to reorient government programmes as well as the officials who manage such programmes. This has been found to be true in developed and developing countries where public sectors have expanded.

2. Nowadays, governments of all African countries are conducting more activities, assuming increasing responsibilities and regulating more aspects of private economic activity. These increased governmental functions are undertaken in pursuit of rapid economic and social development. The striking feature, therefore, in African countries is the growing complexity and tremendous increase in the expenditure on resources by the public sectors of these countries. Government departments have increased in number and expanded in scope of activities for dealing with economic and social development tasks. Various public corporations have been established to assist in tackling the expanding public sector activities. One example of the expansion of governmental activities is the growth of the ratio of public sector expenditures to the gross national product (GNP) in all African countries.

3. As can be seen in several issues of the "Survey of Economic and Social Conditions in Africa", published by ECA, the public sectors in African developing countries as a whole have been absorbing about 15 to 50 per cent of the gross domestic product. For example, in North Africa viz. Algeria, Egypt, Libya and Sudan, the share is between 20 and 50 per cent. In West Africa: Ghana, Nigeria and Ivory Coast, etc., it ranges between 20 and 30 per cent; while in Eastern Africa. Ethiopia, Kenya, Somalia, Uganda, Tanzania, Malawi and Zambia, it ranges between 12 and 30 per cent.

4. Specifically, what has been the impact of the expansion of public sector activities on the volume and management of public financial resources? The growth of governmental activities has made it necessary for all African countries to expand their budgets with consequential heavy task for governments in mobilizing, allocating and controlling public financial resources. Furthermore the increase in the volume and control of these financial resources has posed a greater challenge to public officials at all levels in all government agencies and departments involved in public financial management. The challenge now requires a new type of public finance officials who are expected to deal with financial functions centred on the promotion of economic and social development. The role of financial management function is, therefore, assuming an increasing importance and now constitutes a high priority need among the administrative goals of governments of African countries.

The scope of public financial management

5. Public financial management is a continuous process of related operations which contributes to necessary management decisions. Financial management function emerges from policy decisions which involve a whole series of policy options or alternatives. It is really the political process of mobilizing, allocating and controlling financial resources for development. Financial management in government commences from the moment at which the policy decision is taken and has essentially four parts[1/]. The policy adopted by governments has to be converted into a development plan outlining programmes to be undertaken in order to achieve economic and social objectives of a government. Such plans have many elements, one of which is the financial plan which is a projection of both domestic and external financial resources required for the financing of programmes and projects included in the plan. Financial plans have often been reflected in many economic and social development plans of African countries which are generally based on the assumption that both foreign and domestic financial resources would be available for the financing of investment programmes. Financial management, therefore, starts with the making of the plan which would require officials who are experts in financial projectsions.

6. The next process consists of ensuring that the necessary systems are available to implement and control the plan or if they are not available to set them up. By systems here are meant the whole complex of people, machines and financial systems and records which are necessary to measure and control the progress of the plan. Trained and skilled manpower is an essential input for national development. In most African countries one of the overwhelming weaknesses of national development planning and plan implementation has been the inadequate numbers of competent personnel available inside or outside the government. There is often a small group of skilled and well trained personnel and an excess of unskilled manpower. Serious shortages are generally prevalent in the middle-level category.

7. An adequate financial system comprises the provision for effective taxation, budgeting, accounting and auditing mechanisms to help raise, allocate and control financial resources needed for development. The willingness and ability of African governments to pursue firm fiscal policies and systems has been subject to various political and economic constraints. While in economic terms, the capacity of African countries to raise enough financial resources has been constrained by such factors as the level of per capita income, yet the instruments which are in the hands of governments have themselves not been reformed or strengthened to serve the needs of rapid economic and social development. This is evidenced in the inadequacy of budget surpluses in many African countries needed for the financing, for example, capital budgets.

1/ K.J. Sharp. "Financial Management in the Civil Service - The role of Accountants". Management Services in Government. May 1977, Vol. 32, No.2.

8. Government financial systems should be so devised[2] both to facilitate programme planning and to safeguard the use of the public's funds. This brings us to two important aspects of financial management: the measuring of the execution, comparing the performance against the plan and analysing any material departures from the plan, computing the effect of those departures on policy, and reporting accordingly to those responsible for policy - in other words, expenditures control. Expenditure control in the government of many African countries is nothing more than over-checking. "Clearly, checking there must be. But the necessity for each check and the time to be spent on it must be determined in the light of a realistic assessment of the cost in money and time. When the administrative apparatus becomes so clogged with checks and rechecks that the flow of public business is almost halted by bottlenecks at many points on every level, the safeguards may cost more than they are worth".[3]

9. The overchecking as a means of control of government expenditure is prevalent in the governments of African countries because accounting and auditing which are the financial infrastructures used for controlling expenditure have not yet changed in scope to meet the needs of planned development. The concerns in planned development processes with regard to accounting and auditing are now the measurement of cost, performance and productivity of government programmes. And this concern has been reinforced by the growing attention to programme budgeting with emphasis on objectives and programmes than on objects of expenditure based on accountability.

10. There are many techniques for expenditure control but the main tools used in government administration are accounting and auditing. Accounting has been defined as the "art of recording, classifying and summarizing transactions, wholly or in part of a financial nature, in terms of money, and interpreting the results thereof".[4] Accounting provides information on expenditures and permits adherence to the budget. Periodic financial report based on accounting data makes it possible to compare actual with estimated costs of operations. Without a good accounting system, those responsible for both the long-range planning and the day-by-day administration cannot be expected to achieve the desired results. Auditing on the other hand is an analysis of proposed and past expenditures with respect not only to their legality but also to their desirability. Nowadays, the emphasis in auditing is "value for money".

11. Expenditure control, that is, with emphasis on value for money, seems to be rather weak in African countries. This weakness makes for corruption thus leading to the misuse of the countries' human resources and scarce financial and material resources. Besides this weakness, governments' annual accounts and audit reports are always late and do not serve any useful purpose for expenditure control. The main reason for these delays is the lack of qualified staff to undertake the task in less time.

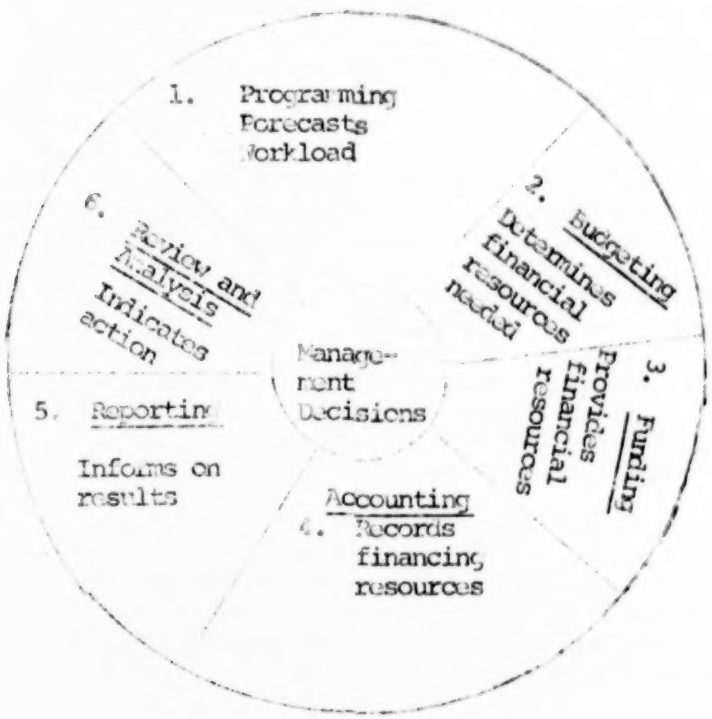
2/ Felix A. Nigro: Modern Public Administration, Harper and Row, Publishers New York, 1965.

3/ Federal Republic of Nigeria: "Public Service Review Commission, main report" Federal Ministry of Information, Printing Division, Lagos, September 1974.

4/ Puerto Rico and its Public Administration Programme, Rio Piedras, Puerto Rico University of Puerto Rico, 1945 cited by Felix A. Nigro. op. Cit.

12. In all African countries, public financial management structures are set up in accordance with financial instructions, orders and rules laid down in the constitutions of these countries. They guide civil servants in their day-to-day involvement in government financial operations. In many cases, these financial instructions have remained unamended and restricted in scope, thus making them unsuitable for the management of planned development which requires alternative decision making in plan implementation.

13. According to what has so far been discussed in paragraphs 5 to 12, public financial management function can be said to incorporate appropriate programming, budgeting, accounting and reporting practices. Besides providing the basis for accountability, it gives opportunity to evaluate "how well and how efficiently operating management has carried out its assigned responsibilities".5/ Diagramatically this function is illustrated below:



Source: UN: A Manual for Programme and Performance Budgeting

5/ United Nations: A Manual for Programme and Performance Budgeting Sales No. E.66.XVI.I.

14. The scope of public financial management should not, however, according to the above diagram, be interpreted as simply a matter of keeping books and records. The budgets, accounts, auditing and periodic reports are essential, but only as tools for planning and carrying out the substantive programmes of government in such a way as to make the wisest and most efficient use of resources available. The function of financial administration should, therefore, be regarded in government as an inextricable part of management responsibility, not a mere appendage to it 5/.

Public financial management needs in personnel

15. The effective management of public financial systems in African countries will have to depend on human skill, energy, knowledge and attitude, in short, on those civil servants who deal with government financial operations. Who are these specialists? What are their functions? And in which departments or agencies do they work? The answers to these questions are indicated by the kinds of questions asked of public finance 6/. Some of the questions asked are:

1. "What are the effects of fiscal proposal or practice upon national production or income? the national standard of living? distribution of wealth and income?

2. "What are the effects of the proposal or practice upon:

   - the rights of citizens?
   - the structure and form of government?
   - international relations?"

3. Is the adoption of the proposal possible?

4. How do we:

   - procure the necessary personnel?
   - procure the materials?
   - get the job done efficiently" 7/

5. How do we raise the necessary resources?

6. How do we know whether the programmes were efficiently implemented?

5/ Felix A. Nigro: Op. cit.

6/ Philip E. Taylor: The Economics of Public Finance. The Macmillan Company, New York, 1965.

7/ Ibid., page 4.

16. The various parts of question 1 are answerable by economists since they involve the knowledge of the structure of the economy and the forces which make it operate as it does. Question 2 is answered by the political scientist or the lawyer who is the practitioner in rules and regulations. Question 3 is for the politicians. Question 4 must be answered by the administrator who is responsible for organization, in getting the right people for the right job. The last two questions must be answered by tax administrators, accountants, statistician and auditors.

17. The most important categories of personnel required for managing public financial infrastructure therefore are economists, accountants, financial experts, bankers, tax lawyers, administrators and auditors to name only a few. Each of these categories, in turn requires different specializations and skill levels. While these categories are needed for public financial management, for purposes of effective management of development in general, it is necessary to have personnel who combine financial and managerial expertise in varying degrees. By and large, there is lack of trained personnel for public financial management in African countries. This stems from the fact that public financial management does not comprise a single discipline or profession but draws upon a variety of disciplines and professions.

18. Personnel for public financial management are normally in the treasury or ministry of finance which in many African countries (comprises, the office of the Minister of Finance, the office of the Accountant General and the taxation departments) and in the office of the Director of Audit. In some countries, heads of departments are also designated as "accounting officers"6/ for purposes of financial control.

19. In all African countries, the control and management of government finances is the principal function of the Ministry of Finance. The Ministry of Finance is the major advisory agency to the government in matters of general fiscal policy. This ministry is required to engage in research, policy-proposing and policy-determining functions with regard to fiscal policy issues. After the independence surge in the African region, the interests of many African countries have come to be centred on dynamic change and development. Thus the first duty of finance ministries in these countries is now to use fiscal policies and systems to promote rapid economic and social development of their countries. To do this, the finance ministries should on the one hand take measures to increase the productivity of labour, and on the other ensure a high level of savings and channel these savings rapidly and effectively to the most productive investments. But how can the new type of finance ministries in African countries perform all these tasks?

20. To fulfill these tasks, the ministry of finance in developing countries "must reshape existing policy tools and devise new ones in areas such as fiscal, budgetary, monetary, credit, interest and foreign exchange policies and that it must use these tools in sensitive, sophisticated, and mutually reinforcing way. In other words, the

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6/ According to countries following the British conception of financial control, the Treasury always nominates one person in each department as "accounting officer" and on him (and not on the Minister responsible for the department) rests the responsibility for accounting to Parliament for every penny voted to his department. The title is distinguished from "accounts officer" which he is not.

ministry of finance should bring a new meaning and significance to all the economic policy tools 9/. But above all the staff or personnel in the ministry of finance should be adequately equipped with the skills, training and techniques to use the tools effectively and efficiently. In general, the personnel in ministries of finance should be technical specialists such as budget officials, economists, financial experts, etc. In African countries, most of the staff in the ministries of finance have been trained primarily by experience. They are unable to go deeply into economic analysis, have little grasp of economic development, and they tend to consider that existing rules have absolute validity.

21. Budget preparation and control is found to be located in most ministries of finance in African countries. The functions carried out by the personnel responsible for budgetary policy has up till now remained traditional and orthodox in approach because budget staff in these ministries is so under-manned and not sufficiently trained to cope with the adoption or introduction of modern government budgetary approach which calls for budget preparation and administration based on programme budgeting quite different from traditional budgetary policy with emphasis on objects of expenditure. The weaknesses of the staff of budget bureaus in many African countries is their conception that budget making is a once-a-year affair, and they are ineffective and seem to lack forward looking review of estimates of expenditures which are received from other ministries. The consequence of the last weakness is seen in the number of supplementary estimates which come up during each fiscal year and the inclusion in current and capital budgets of projects and activities without being subjected to analysis and selection on the basis of their yield and economic effects on development. The job of drawing up the annual plan for the nation demands statistical skills involving the ability to outline and prepare systems of national and budget accounts, planning skill capable of using economic policy to verify that the ends and means are consistent, as well as special knowledge of fiscal policy, trade policy, etc.

22. While the personnel responsible for the allocation of resources in the Ministry of Finance of some African countries still use the traditional type of budgeting, public finance officials engaged in the raising of resources have not been able to provide enough revenue and carry through an overall tax reform which will suit the purposes of rapid economic development. Thus, a big deficit between tax revenues and expenditures generally occurs in almost every government budget of African countries. The financing of these deficits in most cases has depended on Central Banks' capacity to print money, thus creating inflationary trend in the public sector with its counterpart in the private sector. Since tax policy has a specific role to play within the framework of economic policy geared to economic development, the personnel engaged to perform this function should have in mind that taxation policy is now functional. The policy should be directed to securing the sums necessary for government current expenditures, assuring enough additional funds for government investment outlays, providing the funds without diminishing the desire or the ability of the private sector to save and invest, and on the contrary, it should do this by reducing the level of private consumption and by impeding the outflow of resources. It should also stimulate private savings and encourage their flow to the most productive fields.

9/ Kemal Kurdas: "The Ministry of Finance and Economic Policy"; in O.E.C.D. Publication: Government Organization and Economic Development; Paris, 1966.

23. Expansion of the public sectors in African countries due to development, has led to "wide recognition of the creative role of the administrator and the need for constant reappraisal of this role in the light of the new circumstances, but the same can hardly be said of the government accountant" 10/. The functions of government accountants being important in public financial management have to be adapted to a new approach if development policies are to be fully implemented and public funds are used to maximum effect. Account officers in governments of African countries are often too concerned with preparing figures as end in itself without relating these figures to the formulation, execution and evaluation of development programmes and projects. Perhaps the most glaring deficiencies of government accounting are the cumulative delay and tardiness in completing accounts, clerical error, misallocation, failure to reconcile departmental records with treasury records and delay in closing and submitting the accounts. There are also accounting inadequacies at the departmental level. These deficiencies often lead to weak expenditure control.

24. Another area that account officers play a more significant role is in audit, internal or external. Internal audit in most governments is rather variable. In some governments it does not exist. In those countries where there are internal audits, the staff would require substantial degree of theoretical knowledge, the acquisition of specific skills and attitude of mind which can only be acquired through long practical experience.

25. All African countries have the post of Auditor-General in one form or the other. It is true to say that the personnel in government audit offices still follow the traditional system of auditing and therefore they do not do two things: In the first place, they are not much concerned with policy, and in the second place their function does not claim to be an efficiency or performance audit - audit for value for money.

26. Besides these public finance officials which have been described, African countries following the British pattern of public financial administration, the head of a department or ministry is usually appointed as the Accounting Officer. He has the duty of ensuring that the funds entrusted to him are applied only to the purposes intended by Parliament or the legislature and that no more has been spent than has been voted and that the expenditure has been incurred in accordance with established rules and regulations and with prudence and economy. In most cases these officers are administrators. There is therefore need for them to acquire general knowledge of financial management techniques.

10/ Margaret Priestley and Neil Bax: "Government accounting in Ghana - A survey of problems and possibilities", Greenhill Journal of Administration, July - September 1975.

27. The analysis made in this section of the personnel involved in government financial management has shown that public financial management as a tool in economic and social development requires that measures be taken on a co-ordinated basis to reform, sharpen and recrient the skills of its personnel to be able to acquire the necessary technical competence in carrying out their tasks. The necessity for this has also recently been reinforced by the adoption of the Lagos Plan of Action the implementation of which at national levels will give rise to the management of increased public financial resources and thus the need for more skilled, efficient and trained public finance officials who are sufficiently oriented to socio-economic development objectives.

Training of personnel for public financial management

28. In public financial management in African countries is to play the role it ought to play in economic and social development of these countries, the system needs to have the type of personnel which possess technical understanding of, and competence in modern financial administration in the context of economic development. Governments have made efforts in their training programmes for civil servants although in many cases, the training has been particularly emphasised by the necessity to replace expatriate officials with new civil servants recruited from the indigenous populations of these countries. It is, however, generally accepted that present day administration of government should not depend only on experience to supply the skills and techniques needed for the performance of duties. In Africa, this realization has led to the establishment of training facilities and institutes concerned with the training of public servants.

29. The training institutions which have been established in African countries, especially for the training of civil servants have tended to concentrate on the training of administrators, thus neglecting the training of technical specialists. The training programmes of these institutions have not also been linked with reform measures in the civil service nor have they been planned to relate to the economic and social development needs of the countries. Since the training requirements of African countries are varied and in some cases there is the lack of appropriate national training centres, African countries have also continued to send people to be trained abroad. Although emphasis is placed here on institutionalized training, this does not under-value training on-the-job, which is needed at all levels.

30. In the area of public financial management, the question of qualified personnel poses serious problems taking into account what the mismanagement of financial resources has caused in planning and in the implementation of development plans mainly due to lack of trained and qualified specialists in that field. While African public services require the training of this category of civil servants with professional, technical and managerial skills, they also need training in the principles of integrity, honesty and dedication to duty 10/ which should be imbued in every public official. For instance, it is a common occurrence to have well qualified government account officers who use their skill to defraud the government they serve because they lack honesty and integrity in

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10/ A.J.F. Simmance: "Training in Africa". News of Institutes and Schools of Administration. CAFTAD, Tangiers, Morocco - IC, May 1967.

themselves. In addition, it is necessary that training programmes provide a general orientation in national objectives and a total commitment to the declared policies and philosophies of the national government. Thus, public finance as a profession involving many disciplines should have its own professional code of ethics to which practitioners should subscribe and uphold.

31. The existence of carefully designed training institutions and programmes are themselves valuable contributary factors to the effective development and utilization of civil servants in general and specialists in particular. But recruitment, retention, morale and dedication of specialists in any public service depend a great deal on other factors, such as recognition, salaries offered, opportunity for growth, etc. Specialists employed in private enterprise are much more highly paid than the same talent employed in the civil service. The lack of recognition and insufficient encouragement of individual aspirations, schemes of service, career ladders and limited promotion prospects for specialists have tended to keep away specialists from the civil service.

32. So far, attempts have been made to deal with some of the basic issues of training public financial management officials rather than with the details of training curricula. But it is to be understood that in devising curricula for the training of public financial management officials, the main objective is to increase the overall managerial capability of practising civil servants by focussing their attention on, and developing their knowledge of certain key areas of finance and management, and that the curricula should be developed according to the various categories which enter the public financial management class. In general, areas such as those mentioned below ought to be included in the curricula for the training of public finance officials.

- current issues in public finance;
- public and private sector organisation and their finances;
- management information,
- appraisal capital projects;
- aspects of international finance,
- planning and budgeting, e.g. revenue forecasting, programme budgeting;
- issues in government accounting, auditing;
- issues in taxation,management accounting;
- tools of management,
- ecology of development.

These suggested areas of training should be additional to training in disciplines such as economics and accounting.

33. Effective and efficient public financial management is an important factor in the execution of programmes and projects designed to promote economic and social development in African countries. Improvements which have taken place in financial management and in public administration in general have been dictated by responses to crisis and emergencies. To avoid such short-term measures, it is necessary that African countries should develop objectives and requirements in public financial management so that development effort could go ahead without delay and constraints. The main thrust for dealing with the development of manpower and administrative capabilities in financial management must of necessity come from national governments but also from international systems. Action is therefore needed at national, subregional and international levels.

(a) Action at national level

1. The problems countries do face in the supply of trained specialists in public financial management stem from the fact that this category of civil servants does not comprise a single discipline but are drawn from a variety of disciplines and those civil servants who happen to be involved in public financial management sometimes fall into three classes. One class consists of persons who have already acquired some professional qualifications and can be directly assigned to jobs. The second group consists of college graduates in liberal arts and social sciences and are recruited for managerial/ professional positions. There is a third group of officials who are assigned to public financial management jobs without any pre-entry training or any professional qualification. The first task for national governments is to review the qualifications of entrants for different classes of public finance services and the skill and experience needs of their work schedules so that post-entry training programmes could be evolved according to the needs of the three classes just mentioned with a view to preparing them for the better performance of their tasks.

2. Since financial management functions do change as economic and social development changes, national governments have to provide for in-service training to cater to the changing needs of budgeting, accounting and auditing. In this regard, fellowship programmes are also needed. This will provide opportunities for improving professional knowledge and skills. On-the-job training should be provided for and taken as a continuing requirement in all departments.

3. For those countries where there are national training institutions, it is necessary to review the training programmes offered with a view to designing specialist training courses for the various sectors of the economy. Financial management training should continue to be given an increasingly prominent place in the training programme, particularly the training of persons with teaching and supervisory functions. In this regard, Institutes of Public Administration in African countries would need to provide adequately programmes for the development of financial management capabilities. It will also be essential for ministries of finance to operate their own training schools or centres for the training of civil servants who are mostly involved in the management of government finances.

4. To be able to attract specialists and retain them in the civil service salary structures in national governments would have to be reformed so that salaries offered to specialists are commensurate with their qualifications and relative importance of their duties, taking into consideration also the salaries and conditions prevailing in the private sector.

5. Personnel policies also require changes so as to ensure adequacy of incentives for recruiting and retaining high quality public finance officials.

(b) Action at subregional or regional level

In some African countries where there are no national institutions for the training of civil servants, particularly public finance officials, subregional co-operation will be needed to establish regional institutions for the training of public finance officials. A case in point in this regard is the effort of the newly established Association of African Tax Administratirs (AATA) to set up Regional Tax Training and Research Centres in Africa. Such a move is in answer to the need for the training of African tax administrators.

(c) Action by international organizations and developed countries

1. In recent years, much substantial foreign assistance has been directed to reinforcing local efforts for the building of institutions in African countries with the specific aim of training civil servants and private sector personnel. It is acknowledged that these arrangements have been immensely helpful and have been aimed at helping African countries to reach self-sustaining development. The building and strengthening of institutions is of special interest and whatever assistance African countries received from international organizations or from developed countries, in the long run, the larger effort in training will have to be made by Africans themselves and by local institutions. Where assistance is concerned with institution building, the objective should be to leave behind institutions which will command the respect of the international community and thus attract staff of the highest calibre.

2. Technical assistance in the field of training is needed in terms of scale and quality from international organizations. These organizations should continue and expand their collaboration with the African countries with regard to training, through the provision of financial and technical assistance, devoting special attention to the quality of the services, and the training personnel so made available to African countries.

3. With respect to reaerch, the results of work done in local institutes by foreign independent scholars should be identified more closely with the economic and social development problems of African countries.

(d) ECA assistance to member States in the development of public financial management capacility

1. The design of ECA programme of work and priorities in the field of public finance is derived from various resolutions of the Commission as well as from resolutions of the Economic and Social Council and recommendations adopted by participants in training workshops and seminars which have been organized and conducted by the Economic Commission for Africa on various aspects of public finance. In these resolutions and recommendations, the emphasis has principally been on assistance to member States in the efficient mobilization and effective redeployment of their domestic financial resources through the improvement and development of the basic infrastructures of public finance which are budgeting, taxation and financial management and the development of manpower capability in public financial administration.

2. In response to the resolutions and recommendations, the main thrust of the public finance activities have concentrated on rendering assistance to ECA member States in developing effective public financial management capability and in particular promoting improvements in budgetary management and financial control technique, taxation policies, structures and administration and government accounting and auditing. These activities have all been directed to augmenting the efforts of member States in mobilizing progressively increasing amounts of domestic financial resources and their channelling towards priority areas in economic and social development in line with the strategy to promote self-sustaining economic growth and development.

3. The programme has therefore, been concerned with three or four major infrastructures of public finance, namely:

(i) the development and improvement of budgetary systems and management, which deals with re-orienting government budgeting to enhance it as an effective tool for implementing development plans through the adoption of programme budgeting which is output oriented procedures and methods for harmonizing the budget and the plan to make both mutually reinforcing instruments for planned development

(ii) the strengthening and reforming of taxation system and administration for greater efficiency and productivity. In this area the concern has been the examination of taxation systems and structures in terms of economic, administrative and other relevant factors and assistance in the strengthening of tax administration;

(iii) the improvement in government accounting and auditing so as to be able to serve the economic development process in the most effective and useful manner for decision making about human and material resources, effective and efficient controls, accountability and evaluation of public investments;

(iv) the training of public finance officials at national and subregional levels.

4. To achieve the objectives of the programme, its operational activ ties have consisted of provision, at the request of member States, of advisory services, organizing and conducting group training courses at the regional, subregional and national levels for middle-level public finance officials and undertaking research on budgetary and taxation systems and management the reports of which are used as background documents for training courses and also serve as guidelines to member States in the improvement of public finance management and administration.

5. In the field of advisory services, emphasis has been put on assistance to member States enabling them to adopt a phased programme for streamlining budgetary and taxation systems, policies and administration with a view to ensuring that government receipts and expenditures are consciously planned to effect beneficial changes in the overall level of incomes, prices and employment. Research and studies have concentrated on specific problem areas the solution of which will improve public financial management and related measures and policies. Training courses and workshops on the other hand have aimed at assisting member States in the building up of the national capability for conducting their own training courses and providing opportunity for on-the-job training for middle-level public finance officials.

6. During the second half of the 1970s and in 1980 and 1981 the following activities were initiated and implemented; ten national training courses were organized and conducted on budgeting and taxation in eight member countries at their request. Table I below shows the type of training courses and the requesting countries. In addition to these national training courses, three subregional training workshops were organized and held. These are also shown in the same table.

Table I - Type of Training Courses/Workshops organized and conducted by ECA

Year	Requesting country or subregion	Venue	Type of training course
1976	1. Liberia	Monrovia	National training course on budget-plan harmonization, tax policies and administration
1977	1. Mauritius	Port Louis	National training workshop on tax policy, legislation and administration.
	2. Requested by the Taxation Liaison Conference of the countries of Eastern and Southern Africa	Lusaka Lusaka	Subregional training workshop on taxation policies and administration
1978	1. Southern Sudan	Juba	National training workshop on tax policy and administration and budgetary control procedures
	2. Somalia	Mogadiscio	National training workshop on tax policy and administration and budgetary management
1979	1. Lesotho	Maseru	National training workshop on budgetary and financial management.
	2. Regional	Addis Ababa	A regional workshop conducted in collaboration with the German Foundation on taxation and for the establishment of an Association of African Tax Administrators (AATA)

Table I - Type of Training Courses/Workshops organized and conducted by ECA

(Continued)

Year	Requesting country or subregion	Venue	Type of training course
1980	1. Uganda	Kampala	National training course on taxation with emphasis on strengthening and reforming of tax administration in the government of Uganda
	2. Regional	Monrovia	A regional seminar on taxation of multinationals and double taxation agreement (in collaboration with the German foundation)
	3. Ethiopia	Addis Ababa	(a) Assisted in the conduct of an ILO training course on pension accounting; (b) National training course on taxation and budgeting
	4. Somalia	Mogadiscio	National training course on budgeting and financial management
1981 (February)	1. Mauritius	Port Louis	National training course on budgeting and financial management.

7. In order to provide a forum for African Tax Administrators to exchange experience in the improvement of taxation policies, systems and administration member States have been assisted to establish in 1980 an Association of African Tax Administrators (AATA). The membership of the Association is open to all States that are members of the Organization of African Unity (OAU) and the United Nations Economic Commission for Africa. At present, the following members have become members of AATA: Algeria, Botswana, Cameroon, Central African Republic, Comoros, Egypt, Gambia, Liberia, Malawi, Niger, Nigeria, Senegal, Swaziland, Togo, Mali and Ethiopia. ECA is currently performing the functions of an interim secretariat of the Association.

8. To provide background documents for the training courses and seminars on financial management and taxation and to serve as guidelines in initiating improvements in taxation, buleting and financial management, two studies were initiated and carried out. These are studies on "Innovative developments and improvements on budgetary systems and management in selected African countries" and "country case studies on methods of financial reporting and expenditure control effectiveness" as a basis for developing appropriate budget warning systems in public spending. These studies were carried out in respect of Tanzania, Kenya, Liberia and Sierra Leone.

9. Member States have shown keen interest in the training aspect of the ECA programme. The programme has not however been able to respond fully to the growing needs because of staff constraints. Apart from staff constraints other factors such as financial resources needed for travelling on field missions and to undertake field studies as well as funds for consultancy services have generally been inadequate.

10. Despite these constraints, there are prospects for the programme because of the newly formed Association of African Tax Administrators (AATA) which when it becomes fully operational will collaborate with ECA in the implementation of the public finance programme. Efforts are also being intensified for the establishment of one or more Regional Tax Training Centres for the training of tax and finance officials the lack of which cadres remains one of the bottlenecks in the development and improvement of sound and efficient financial management services in ECA member States.

Action by conference

34. Administration in the public service these days is inseparable from the administration of action related to development planning, plan implementation and follow-up. It requires that civil servants concerned with these functions should be prepared for their tasks to enable them to understand the objectives of economic and social development.

35. Professional staff, such as financial experts all have a role to play in development administration either at the formulation or implementation stages. This category of staff, as for other categories, require special preparation, orientation and training in development administration.

36. In view of the importance of the role, public financial management officials are expected to play in government administration, the secretariat of the Economic Commission for Africa has accorded high priority to the development of manpower capability in public financial management in African countries in its Medium-Term Plan, 1984-1989 and in the Programme of Work and Priorities. The Medium-Term Plan 1984-1989 and the Programme of Work and Prioriges, 1982-1983 have been introduced in document PAMM/HRP/3/81.

37. Realizing also that the operational projects which are being planned in the programme of work and priorities, 1982-83 would need financial and human resources for the implementation, ECA has prepared a regional technical co-operation project document on "Development of Manpower Capability in Financial Management" which is being submitted to UNDP for financial support for its implementation. The objective of the project is to assist African countries in their manpower development for public financial management in order to be able to mobilize and redeploy their financial resources for national development more efficiently.

38. The conference is invited to:

(a) review the programme of work, 1982-83 in the field of public finance with a view to assisting ECA in the implementation of the programme and to give guidelines for the future development and orientation of the programme;

(b) adopt the technical co-operation project on the development of manpower capability in financial management for UNDP financial support during the 1982-86 programming cycle.